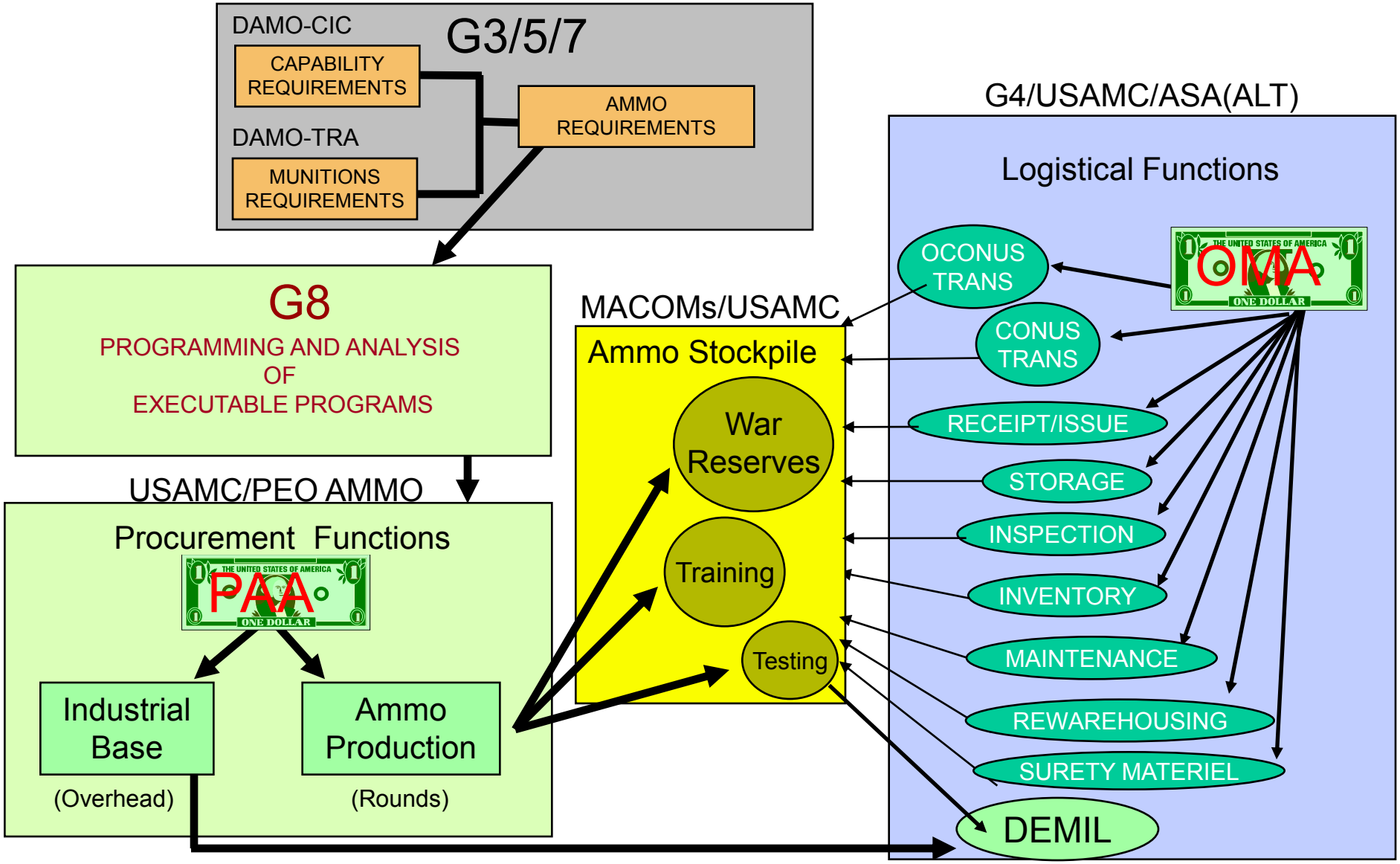
AMERICA'S ARMY:
THE STRENGTH OF THE NATION™

AMMO FUNDING

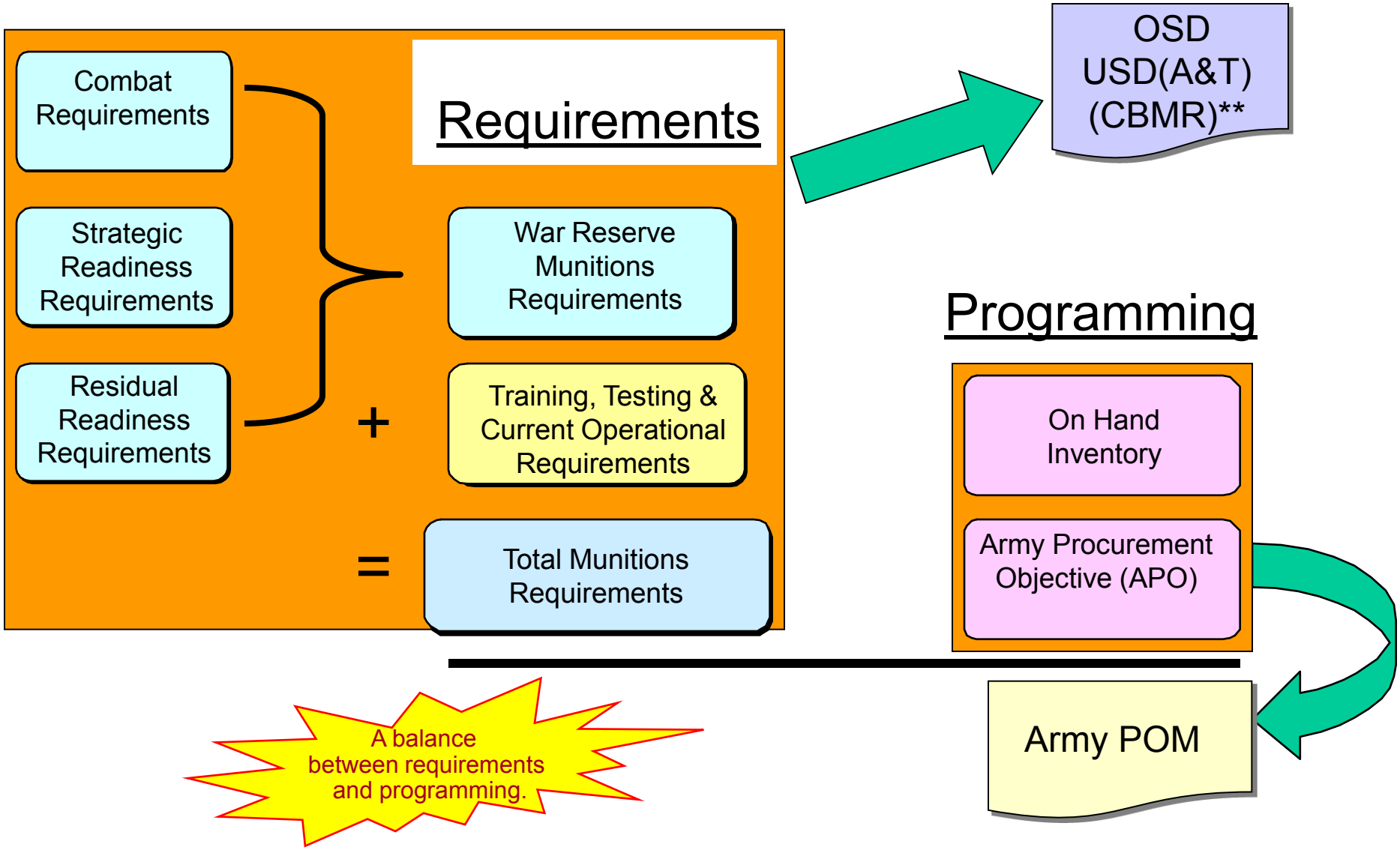
ARMY G-8
Munitions Division
Mr. Bobby Ransom
MES February 2012

Munitions Executive Summit February 2012

How Ammo Works

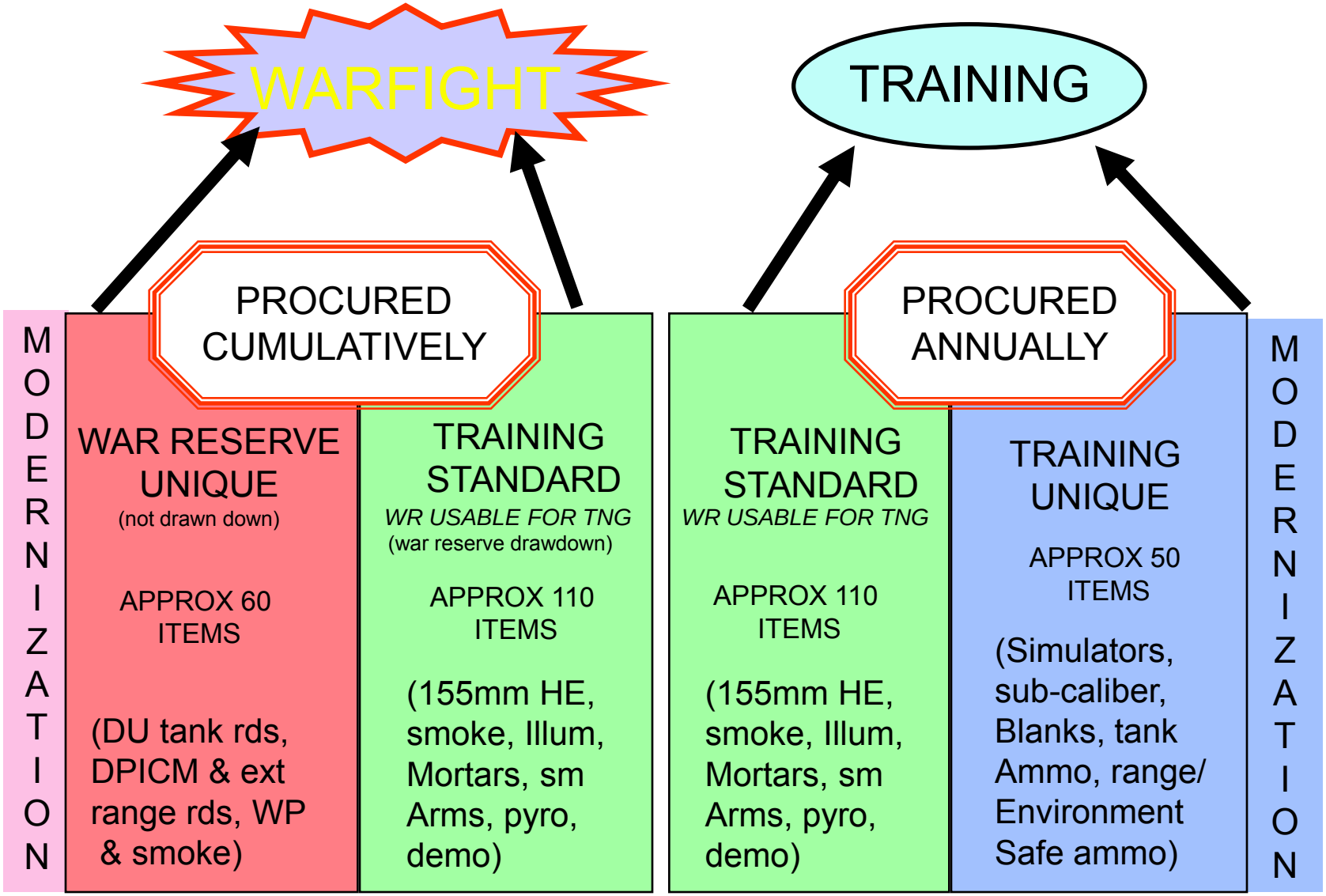


QWARRM* Process



* Quantitative War Reserve Requirements – Munitions.
** CBMR - Capabilities Based Munitions Requirements IAW DODI 3000.4.

Ammunition Categories



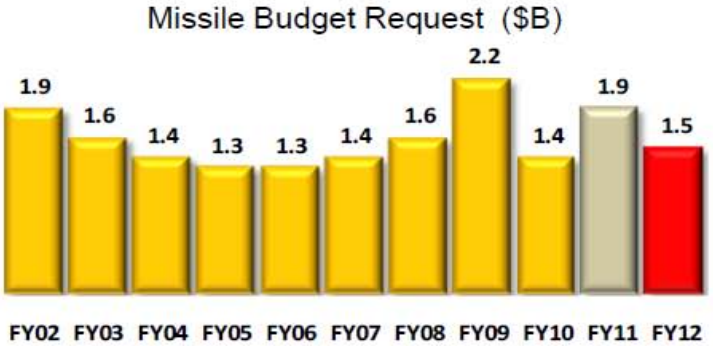
FY12 Budget Request - Base

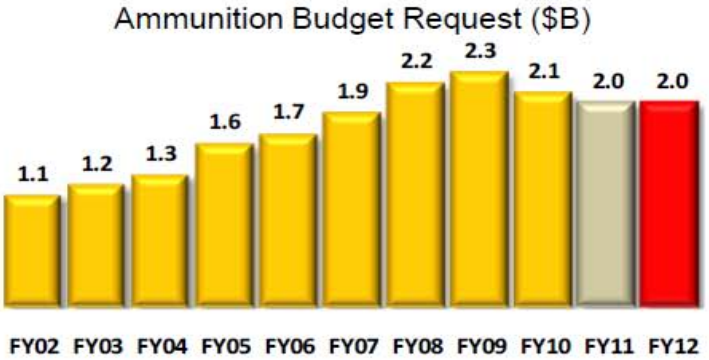
Missile & Ammunition Procurement

Budget Request ($M)	FY12 Base
Missile Procurement	1,478.7
Ammunition Procurement	1,992.6

Program Funds:

- On-going missile programs
  - Patriot Advanced Capability-3 ($662M, 88 missiles)
  - Javelin ($161M, 710 missiles)
  - Guided Multiple Launch Rocket System ($314M, 2,784 missiles)
  - TOW 2 ($82M, 802 missiles)
  - Patriot Mods ($67M)
- Full funding of critical training ammunition ($1.1B)
- Ammunition production modernization ($200M)
- Ammunition demilitarization ($190M)





FY12 Budget Request - OCO

Aircraft, Missiles & Ammunition

OCO Request Supports:

Aircraft ($423M)

- Battle Loss Replacement
  - Kiowa Warrior ($145M, 15 aircraft)
  - UH-60 Black Hawk Helicopters ($72M, 4 aircraft)
  - AH-64 Apache Helicopter ($35M, 1 aircraft)
- Modifications
  - RQ-7 Shadow UAV ($95M)
  - Multi-Sensor Airborne Recon ($55M)

Missiles ($127M)

- Replaces missiles expended in Operation Enduring Freedom
  - Hellfire ($108M)
  - Guided Multiple Launch Rocket System ($19M)

Ammunition ($208M)

- Replaces ammunition expended in Operation Enduring Freedom

Procurement of Ammunition, Army

FY12 Supplemental **$208M**

Two Budget Activity Groups (BAGs) within PAA:

	FY12	
• Activity 1 - Ammunition	$1,585M	
• Training/Test Ammo	$1,178M	- Ammo Portfolio
• War Reserve Fill	$232M	- Ammo Portfolio.
• Hydra Rockets Training Ammo	$ 74M	- Aviation Portfolio
• War Reserves / Modernization	$101M	- Other FD Portfolios.
• Activity 2 - Prod Base Support	$ 408M	
• Industrial Facilities	$215M	- Ammo Portfolio.
• ARMS*	$3M	- Ammo Portfolio.
• Demil	$178M	- SS PEG / G-4
• TOTAL	$1,993M	

* Armament Retooling and Manufacturing Support Program

SOURCE: FY12 PAA Appropriation

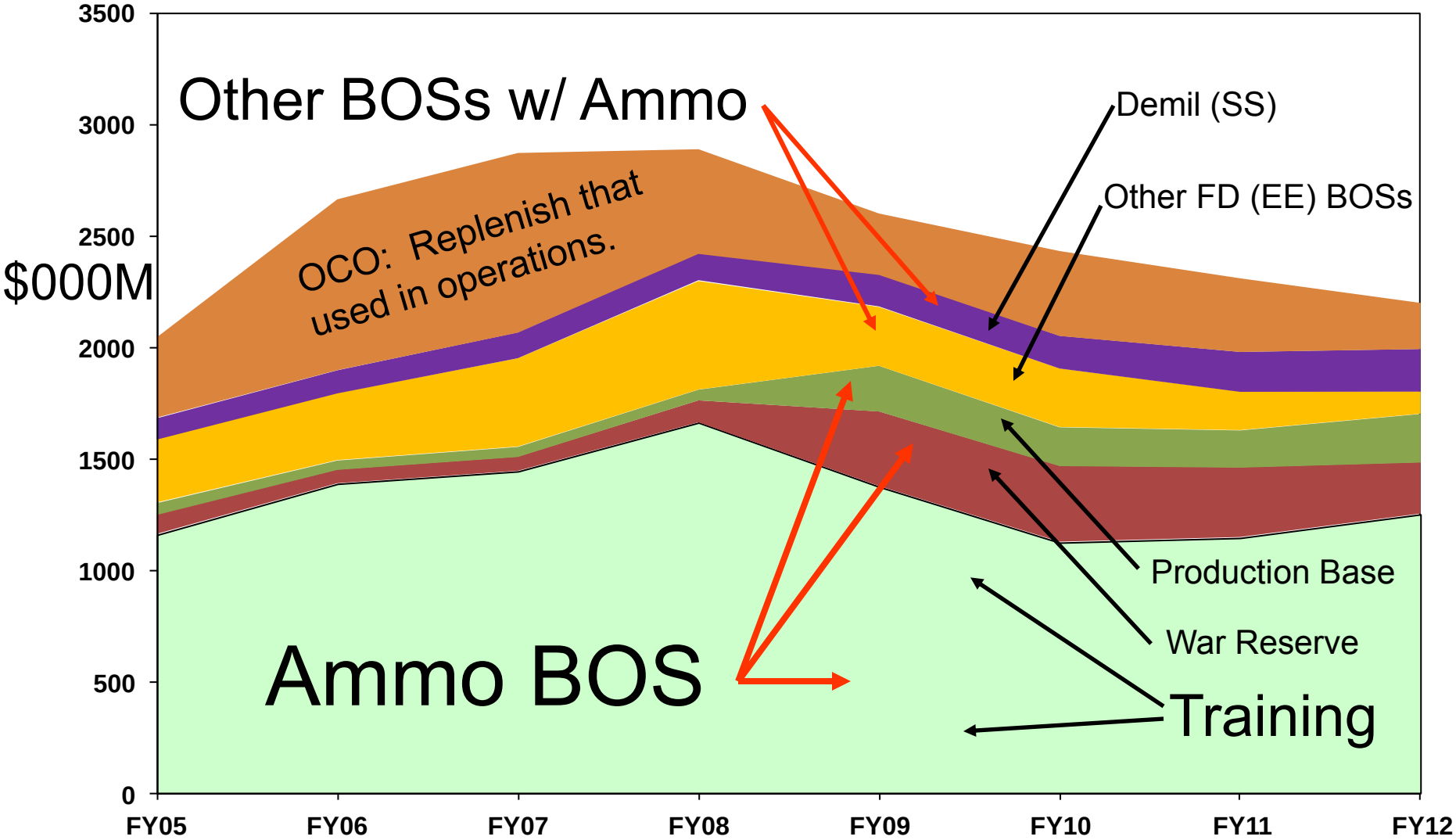
AMMO SCORECARD
FY12 Base Budget

FY13 Base
$1,740.000

FY12
Supplemental
$208M

	Root	Request ($M)	Appropriated ($M)	Delta ($M)	Reason for Delta
BASE	AIRCRAFT LAUNCHED AMMO	118.966	105.966	-13.000	30mm Program Growth Adjustment
	AMMO PRODUCTION BASE	218.089	218.089		
	AMMUNITION SUPPORT	61.656	61.656		
	ARTILLERY AMMO	184.319	182.819	-1.500	Pricing Adjustments (Propellants, Fuzes & Primers)
	DEMIL	189.789	177.789	-12.000	Contract Award Delay
	DEMOLITIONS	53.685	38.685	-15.000	Program Growth Adjustment
	EXCALIBUR	69.074	58.074	-11.000	Program Restructure
	GRENADES	42.558	42.558		
	HYDRA ROCKET	127.265	123.865	-3.400	Excess Production Engineering
	MEDIUM CALIBER AMMO	99.693	96.293	-3.400	Prior year Funds Available (25mm All Types); Excess Production Engineering (40mm All Types)
	OBJECTIVE FAMILY OF WEAPONS	3.399		-3.399	Funding Ahead of Need
	MINES	2.518	2.518		
	MORTAR AMMO	151.890	150.390	-1.500	Excess Production Engineering (120mm All Types)
	NON-LETHAL AMMO	14.864	14.864		
	SPIDER NETWORK MUNITIONS	43.123	43.123		
	SHOULDER LAUNCHED MUNITIONS	19.254	17.854	-1.400	Excess Production Engineering
	SIGNAL MUNITIONS	26.173	26.173		
	SMALL CALIBER AMMO	435.327	433.327	-2.000	Funding Ahead of Need (Handgun All Types)
	SPECIAL AMMUNITION	11.059	11.059		
	TANK MAIN GUN AMMO	105.704	65.205	-40.499	Pricing Adjustment and Unjustified request
	SIMULATORS	14.108	14.108		
Grand Total		1,992.513	1,884.415	-108.098	

Total Ammunition Picture



SOURCE: PAA Appropriation
Other BOSs w/ PAA: Aviation, Fires, Maneuver, Mobility, NBC, Soldier, Test

Missile & Ammunition Procurement

Budget Request ($M)	FY 12 Enacted	FY 13 Base Request	FY13 OCO Request	FY 13 Total Request
Missile Procurement	1,587.8	1,302.7	49.7	1,352.3
Ammunition Procurement	2,092.8	1,739.7	357.5	2,097.2

Enacted amount becomes new baseline for request

Program Funds:

- On-going missile programs
  - Patriot Advanced Capability-3 ($647M, 84 missiles & 38 launchers)
  - Javelin ($81M, 400 missiles)
  - Guided Multiple Launch Rocket System ($239M, 1,980 missiles)
  - TOW 2 ($85M, 1403 missiles)
  - Patriot Mods ($200M)
- Funding of critical training ammunition ($1,031M)
- War and Operations ammunition (for War Reserve) ($302M)
- OCO request (as a result of operational expenditures) ($407.2M)
- Ammunition production modernization ($224M)
- Ammunition demilitarization ($183M)

Numbers may not add due to rounding

Ongoing Actions/Questions

- FY13 Budget Request and 13 OCO to the Hill on 14 Feb. What will Congress do with that?
- Starting the FY14-18 POM build and FY14 OCO.
- Implementation of POTUS-directed budget cuts ($489 billion).
- Ammunition Industrial Base Review Mar 2012.
- Slow production rates where it does not, or minimally impacts, unit cost
- Stop production where:
  - ✓Sufficient quantities exist to support TAMR requirements
  - ✓Current capabilities are in excess of need
- Potential shift from second sources in Ammunition Production Base.
- Quadrennial Defense Review 14 underway (strategy & resource allocation).
- Potential fallout from the 2011 Budget Control Act (sequestration).
- Impacts of Cluster Munitions policy.
- Long term impact of Force structure reductions to training.

Ammo Procurement Summary

AMMO FUNDING IS A BALANCING ACT

Training

- Provide enough ammo for units to train
- Buy enough ammo to replenish what is expended

War and Operations

- SUSTAIN SOLDIERS IN CURRENT OPERATIONS
- Replenish stocks expended in operations
- Build/Replenish War Reserve stocks
- Modernize stocks in the process

Industrial Base

- Replace/Upgrade/Repair organic capabilities
- Transition to efficiency upgrades
- Ramp down production to avoid sharp changes

Questions?